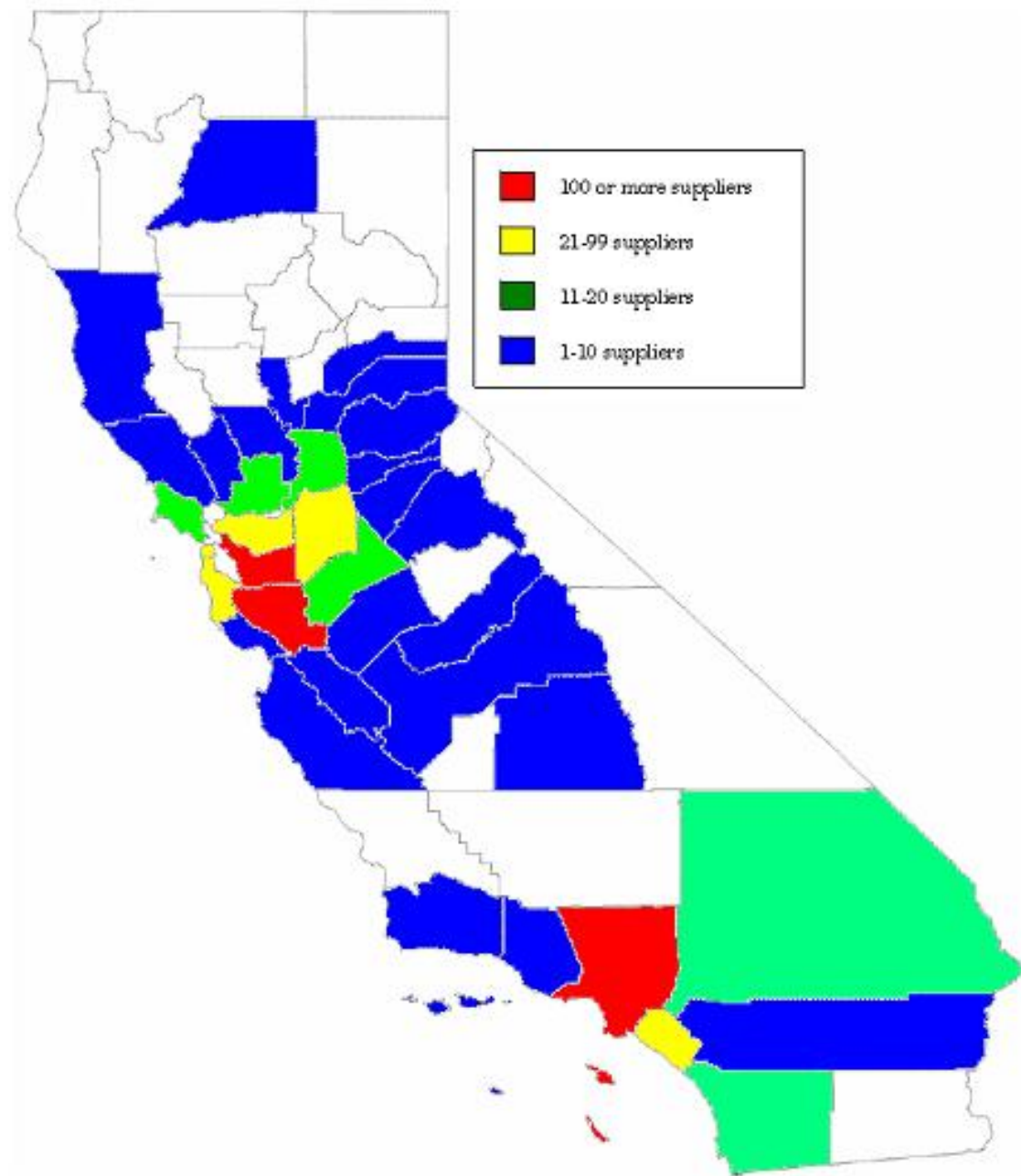


California Needs NUMMI and NUMMI Needs Stimulus

by Lieutenant Governor John Garamendi, chair of the California Commission for Economic Development



When Toyota announced last month it was considering closing the New United Motor

Manufacturing, Inc. (NUMMI) plant in Fremont, the focus was on the potential loss of the 4,700 critical regional jobs at the auto plant, and understandably so. But the ripple effect of NUMMI's closure wouldn't stop in the Bay area. Most counties in the state have a vendor that serves NUMMI in one capacity or another, and if the plant closes, California will face an estimated loss of another 20,000 to 35,000 jobs indirectly.

Of the approximately 1,186 supplier companies with NUMMI contracts, all but five are in California. Of the 35 California counties home to at least one NUMMI supplier, the five counties with the most suppliers include Alameda (389), Santa Clara (204), Los Angeles (126), Contra Costa (79), and Orange (73). And of course, all corners of our state will feel the strain of lost tax revenue and an increased reliance on social services.

The legislature has authored bills to help. Senator Elaine Corbett's (D-San Leandro) SB 483 would create an enterprise zone in Fremont, while Assemblymember Alberto Torrico's (D-Fremont) ABX4 31 would provide a sales and use tax exemption for capital equipment used by automobile manufacturers. Senator Roderick Wright's (D-Los Angeles) SB 830 creates an enterprise zone and tax benefit incentives for automobile manufacturing plants within California.

I support these bills, but more needs to be done to keep NUMMI in California. The federal government generously bailed out Detroit to the tune of billions when its auto industry was threatened. Now we in California, a federal tax dollar donor state, need the federal government's help to keep our industry in our state and in the United States. At today's California Commission for Economic Development meeting in Livermore, I called on the Commission to support my appeal to the Treasury Department to release federal stimulus dollars for the Toyota/GM NUMMI plant to show Toyota that we consider them a valued business partner and want them to stay. This call echoes a letter I sent to the President's Auto Task Force in late July, and I am happy to say I join Senator Dianne Feinstein, Senator Barbara Boxer, and 15 House members in this request.

Our leaders in Washington talk a lot about job growth to turn this recession around, and I certainly join them in this goal. But just as importantly, we must recognize that we face international competition for the jobs already in our country, and when faced with the potential loss of tens of thousands of jobs, we must respond with force. Federal stimulus dollars will be well-spent at NUMMI. For California's future, the NUMMI plant is too big to fail.

Lieutenant Governor John Garmaendi is chair of the California Commission for Economic Development. He is also a University of California regent and California State University trustee.